

## CHAPTER 1 - PROJECT GOALS AND ANALYTIC SEQUENCE

### Purpose and Goals of the Study

Section 812 of the Clean Air Act of 1990 requires EPA to perform periodic, comprehensive analyses of the total costs and total benefits of programs implemented pursuant to the Clean Air Act (CAA). The first analysis required under the Clean Air Act is a retrospective analysis, which EPA completed in October 1997. Section 812 also requires completion of a prospective cost-benefit analysis every two years. EPA completed the first of these prospective studies in November 1999.

This document represents the second step in EPA's development of a second prospective analysis of the Clean Air Act and Amendments of 1990: the development of a revised analytic plan and schedule for completing the study. In completing the second prospective, EPA is attempting to follow a process in which we seek a thorough review of our plans for conducting the study early in the process, incorporate review comments in a final analytic plan that incorporates the results of the review, complete the analytic steps in an expedited fashion consistent with the final plan, and then seek final review of the report and its results. EPA completed the first step in this process in July of 2001, when the SAB Council met to review a June 2001 draft analytical plan document. This final analytic plan document reflects significant revisions from the draft plan in response to: (1) SAB Council review comments finalized and delivered to EPA in September 2001; (2) the evolution of regulatory analytic practice at EPA over the last two years, including the establishment by OMB of [Information Quality Guidelines for US Government reports and the adoption by EPA of its own set of guidelines](#); and (3) recommendations made to EPA by a special National Academy of Sciences (NAS) panel on the conduct of benefits analysis for air pollution. The NAS report in particular is the motivation for a major increased emphasis on the development of methods for characterizing uncertainty in benefit estimates developed for this report.

EPA continues to have four major goals for the second prospective:

1. ***Support CAA reauthorization and related legislative efforts.*** To achieve this goal, EPA has designed an analytic process that will provide a comprehensive accounting of CAA programs. To further this goal, EPA had originally proposed a Title-by-Title disaggregation of benefit and cost information. In response to SAB comments and discussion on this topic, we now plan to conduct disaggregation by major emitting source category (e.g., utility, non-utility industrial point source, mobile source), considering all applicable regulations regardless of Title. In addition, EPA still plans to assess costs and benefits of a limited set of additional measures that go beyond the current CAA provisions, although the nature of those additional measures has changed since the June 2001 draft plan. We hope these two sets of results will provide insight on the most cost-effective directions for potential future legislative efforts.

[continue on 1-2 – May 12 original]